Collections Change Opportunity Analysis

February 28, 2002

Statement of Purpose

The Collections Organization asked Modernization Partner to assist in identifying opportunities for increased organization efficiency. The approach used included:

➢ Identifying impacts of Modernization Projects on Collections

➢ Gathering input from Regional Directors on current activities and change opportunities

➢ Meeting with subject matter experts to gain input on efficiencies/improvements

➢ Summarizing change opportunities and potential FTE impacts

➢ Developing change "framework" and high level next steps

This document summarizes the work to date:

➢ Change Framework

➢ Summary of Reductions

➢ Change Opportunities by Functional Area

➢ High Level Business Integration Sequencing Plan

Appendixes include:

➢ Detailed Regional Office Findings

➢ Functional Process Flows

➢ FTE Reduction Estimates

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Change Framework

In order to achieve the targeted organization, the following core areas need to be addressed: strategy, workforce and contractor contracts, processes and systems.

How To Get There

Current State

- Legacy systems
- Redundancies/ Rework
- Complicated Processes

Strategy
- To-Be Organization Model
- Roll out/Transition Plan

Workforce
- Core functions
- Performance Mgt
- Transition Options

Contracts
- Results based

Processes & Systems
- Simplified Work Flows
- Elimination of Redundancies
- Automated, Streamlined Functions
- Increased Accuracy

Target State

- More time on Program Management and Analysis
- Increased efficiencies
- Strategic outsourcing
- Consolidated offices

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Overall Workforce Impacts

The following pages discuss the potential for the Collections Organization to be decreased by approximately 50%. Achieving these reductions, however, is highly dependent on a full range of changes being implemented, including:

- competitive sourcing,

- increase authorities for contractors,

- automation of certain functions,

- transfer and/or elimination of certain non-core competencies/functions,

- and authorities and vehicles for workforce reductions.

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High Level Business Integration Sequencing Plan

3/02	6/02	1/03	6/03

Strategy

Refine new org model/mission	Initiate reorg approval process	Initiate Transition

Workforce//Contracts

- Continue Performance/Conduct Documentation (ongoing)
- Professional Development (ongoing)
- Retirement Options and Planning (ongoing)
  - Counseling and Outplacement (ongoing)
- Competitive Sourcing (thru FY03)
  - Refine current and new contracts to be more results oriented

Processes/Systems

DMCS Replacement*

New System Selection and Pilot	New System Development	New System Implementation
-High level design	-System customization	-System rollout
-Business process design	-Process development	-New Business Process deployment
-Organization impact analysis	-Organization transition plan	-New roles implemented

Non Systems Business Process Improvements

Consistent Answers/DCSIC*

Stage 4 Customer Interaction (One Number and Enhanced IVR Self Service Capabilities)

▲ 6/02 18004FedAid

- Business process design
- Organization Impact Analysis/Transition

▲ 11/03 Post Attending IVR Routing

Stage 5 Common Customer Care (Siebel)– Rollout TBD

- Business process design   - Siebel training
- Organization Impact Analysis/Transition

Customer Interaction Management (CIM) Org. Design/Devel.

▲ 10/02 CIM Org Package

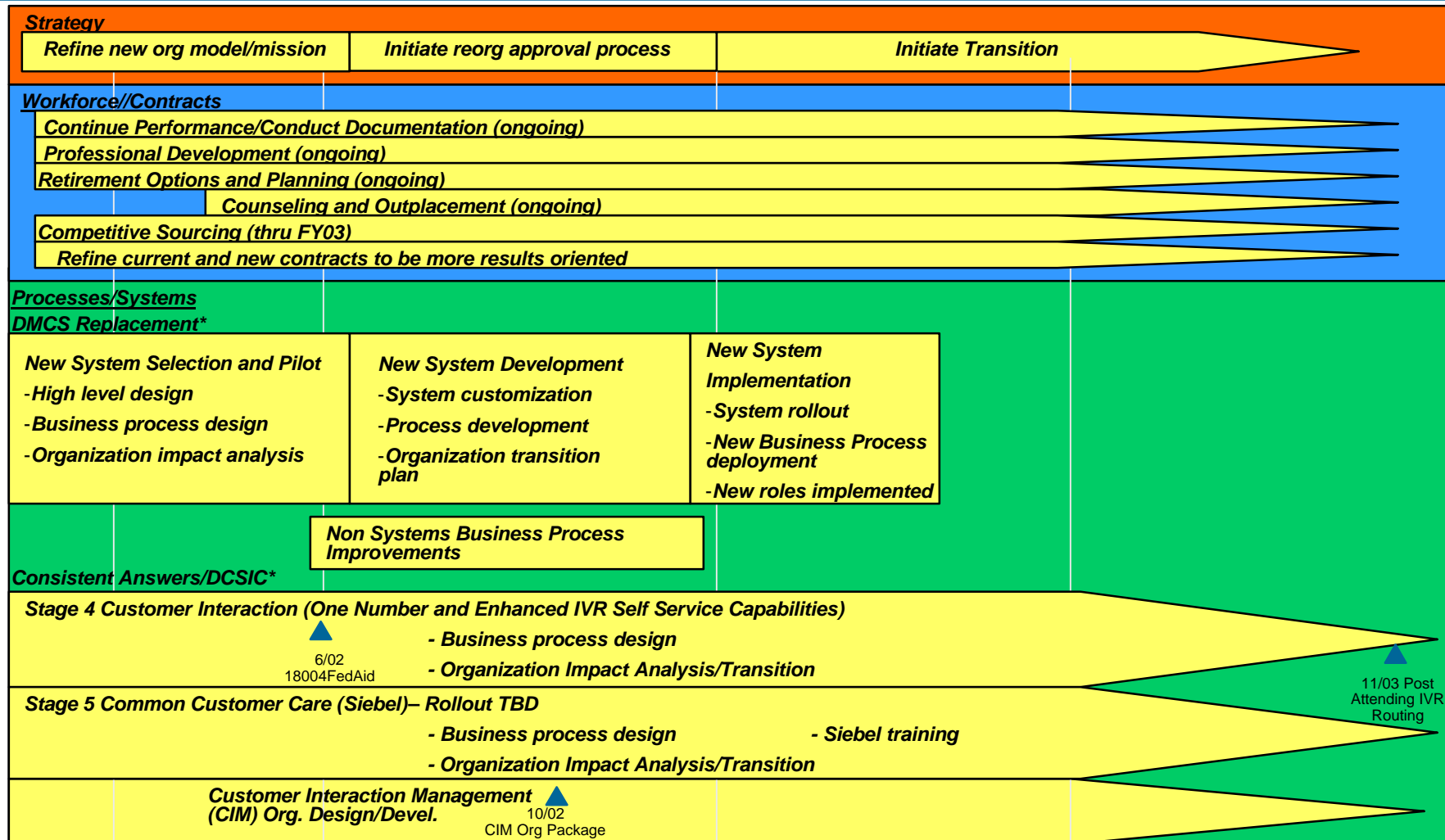**ONGOING COMMUNICATION**

* More detailed workplans for system rollout are available from the Modernization Partner initiatives. Please refer to specific initiatives for the assumptions from which dates are based.

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Next Steps

- Encourage Regional Directors to follow up on performance and conduct issues
- Validate findings with Students Leadership
- Develop detailed change plan (what activities can happen when)
- Integrate SFA-wide initiatives (e.g., competitive sourcing, workforce transformation, communications) into a cohesive change plan for SCM
- Vet change plan with Students Leadership and confirm "launch"
- Identify "change" team and team leader
- Launch change plan, starting with Regional Directors:
    - Lay out objectives (What are we trying to accomplish)
    - Process/Timeframe (When and how are we going to get there)
    - Roles/Responsibilities (What do we need from you?)
    - Support/Sponsorship (What do you need from leadership?)